
MARINE PRODUCE AUSTRALIA ANNOUNCES UPDATE ON PRODUCTION, SALES AND INFRASTRUCTURE DEVELOPMENT

- All key initial production and sales targets achieved at MPA's saltwater barramundi (Cone Bay, WA) and tiger prawn operations (Darwin, NT).
- 10 tonnes of barramundi and 35 tonnes of tiger prawns harvested to date.
- Initial Sales in excess of \$300,000 over the last 3 months
- Deployment of additional 8 polar sea cages commences at Cone Bay, with four sea cages currently operational.
- Construction of 5ha of new tiger prawn grow-out ponds underway, with construction of a further 10ha expected to commence in the September Quarter.

Marine Produce Australia Limited (ASX: **MPA**) ("**MPA**" or "**the Company**") today announced that it has successfully completed the first commercialization phase for its tiger prawn and barramundi aquaculture operations, respectively in the Northern Territory and Western Australia, and achieved all of its initial production and sales targets in line with the revised operational plan announced in February this year.

With the achievement of these milestones, MPA also announced an update on key infrastructure developments at both the barramundi and tiger prawn facilities as part of the strategy to steadily ramp up commercial production during the second half of 2006.

COMMERCIAL HARVESTS AND SALES UPDATE

Following the announcement of the first commercial-scale harvest of saltwater barramundi in April and initial sales of black tiger prawns in March, MPA today advised that commercial harvesting operations had been continuous at both the Saltwater Barramundi facility in WA and the "Aussie Prawns" facility in Darwin for the past two months.

Approximately **10 tonnes** of premium quality Saltwater Barramundi has been harvested and sold into the Australian domestic market. The initial phase of barramundi harvests was designed to confirm the logistical processes and infrastructure necessary to conduct weekly commercial harvests at MPA's Cone Bay facility – which is located in the Buccaneer Archipelago of northern Western Australia – and achieve regular deliveries to the Perth, Sydney and Melbourne markets of barramundi in premium condition.

These goals have been achieved, with the fish harvested and sold ranging from 1.5kg to 7kg, confirming that MPA has the capability to supply all of the various specific size-related fish markets. In addition, the achievement of consistent quality and supply has quickly established MPA's reputation in the market place as a premium supplier.

At the "Aussie Prawns" facility in Darwin, the Company has harvested premium quality Australian tiger prawns continuously over the past 3 months, with over **35 tonnes** of product harvested to date. The majority of the product harvested has been Extra Large (i.e., 35 grams per piece and above), with an overall product split ranging from 25 grams to 80 grams per piece. MPA's ability to grow product out to these larger sizes has enabled the Company to immediately access the premium end of the prawn market – which represents a significant strategic advantage.

To date, MPA has sold only a portion of this current stock into the domestic Australian market with excellent feedback to date on the quality of the Company's tiger prawn product, enabling the Company to commence negotiations for longer-term arrangements with some customers.

MPA plans to continue selling this current stock into the domestic market over the next few months in order to confirm its ability to consistently supply product of consistent, superior quality. Plans are also in place to develop the export market, with a target of initiating global sales towards the end of 2006.

Sales of the barramundi stock and a portion of the tiger prawn stock have generated revenue of \$300,000 for the period. This is slightly in excess of MPA's sales target for the past 3 months of \$250,000.

INFRASTRUCTURE DEVELOPMENT AND PRODUCTION RAMP-UP

With the achievement of these initial production and sales milestones, MPA is continuing to advance infrastructure development at both its WA and Northern Territory facilities with a view to achieving a steady ramp-up of commercial production.

MPA now has four 25-tonne polar sea cages deployed and stocked at the **Cone Bay Saltwater Barramundi facility**, with a further 8 sea cages already partially constructed and ready to be deployed on virtually a weekly basis between now and September 2006. MPA's objective under the revised operating plan announced earlier this year is to have 12 sea cages deployed and fully operational by December 2006. The deployment of the new sea cages over the next 3 months will coincide with the existing fish stock maturing and growing to a level requiring additional capacity.

As previously reported, the 165-tonne nursery reticulation system on Turtle Island is now fully operational, with over 300,000 fingerlings having been grown or currently growing through the process. The results to date have been excellent, with extremely low mortalities and significantly better growth rates achieved than expected.

The combination of these developments will enable MPA to advance further towards its objective of ramping up production of barramundi over the next few months, fully utilising the additional sea cage capacity. The Company will continue its domestic marketing campaign, with a view to initiating entry to the export market towards the end of 2006.

At the "**Aussie Prawns**" facility, construction is well underway (following delays caused by the extended wet season in northern Australia) on the construction of an additional 5 hectares of onshore grow-out ponds (12 hectares of ponds is already operational). In conjunction with this work, additional infrastructure upgrades are also underway including improvements to the pumping stations, widening of the canals, established pond reinforcing and electrical upgrading.

The proposed construction of an additional 10 hectares of new ponds is currently subject to a tender process and receipt of final environmental approvals, which is anticipated to be finalized during the September 2006 Quarter, enabling construction to commence. MPA's objective is to increase its total operational capacity to 27 hectares over the next 6 to 12 months (subject to approvals and suitable weather conditions).

SUMMARY AND OUTLOOK

The achievement of the initial objectives outlined in MPA's operational plan earlier this year and the commencement of substantial infrastructure upgrades at both the Cone Bay and Darwin facilities represent important milestones towards the Company's objective of establishing sustainable, long-term commercial aquaculture production.

MPA's Managing Director, Mr Peter Fraser, said the achievement of initial sales targets and establishment of brand reputation in a relatively short period of time represented an important component in the continued commercialization process, with production and sales volumes expected to ramp up relatively quickly from now on.

"At the Cone Bay operations, it has been very important for us to meet all of our targets and deadlines," he said. "In achieving success in harvesting, nursery, grow-out and cage construction concurrently, we have confirmed our ability to successfully plan and complete our projects on time and on budget."

"At the Aussie Prawns facility, we are satisfied with the progress to date and the fact that we are able to continue production whilst construction and infrastructure development is continuing, demonstrates our commitment to moving forward on all fronts," Mr Fraser said. "Such a major infrastructure project clearly has to be undertaken in stages."

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